

LEGISLATURE OF NEBRASKA

NINETY-NINTH LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 962

FINAL READING

Introduced by Price, 26; Beutler, 28; Byars, 30; Combs, 32;
Cunningham, 40; Flood, 19; Heidemann, 1; Howard,
9; Hudkins, 21; Johnson, 37; Kruse, 13; McDonald, 41;
Stuhr, 24; Synowiecki, 7; Thompson, 14; Aguilar, 35

Read first time January 6, 2006

Committee: Rereferred to Education

A BILL

1 FOR AN ACT relating to postsecondary education; to amend
2 section 85-957, Reissue Revised Statutes of Nebraska,
3 sections 71-5663, 71-5668, 85-1416, and 85-1903,
4 Revised Statutes Cumulative Supplement, 2004, and
5 section 71-17,112, Revised Statutes Supplement, 2005;
6 to change provisions relating to the Nursing Faculty
7 Student Loan Cash Fund, the Rural Health Systems and
8 Professional Incentive Act, Peru State College, the
9 Coordinating Commission for Postsecondary Education
10 Act, and student financial awards; to state findings
11 regarding postsecondary education; to provide for a

1 report regarding postsecondary education priorities; and
2 to repeal the original sections.
3 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 71-17,112, Revised Statutes
2 Supplement, 2005, is amended to read:

3 71-17,112 The Nursing Faculty Student Loan Cash Fund is
4 created. The fund shall consist of grants, private donations, fees
5 collected pursuant to section 71-17,113, and loan repayments under
6 the Nursing Faculty Student Loan Act remitted by the department to
7 the State Treasurer for credit to the fund. The fund shall be used
8 to administer the act and for loans to qualified students pursuant
9 to the act. ~~The act shall be carried out with no appropriations~~
10 ~~from the General Fund.~~ Any money in the Nursing Faculty Student
11 Loan Cash Fund available for investment shall be invested by the
12 state investment officer pursuant to the Nebraska Capital Expansion
13 Act and the Nebraska State Funds Investment Act.

14 Sec. 2. Section 71-5663, Revised Statutes Cumulative
15 Supplement, 2004, is amended to read:

16 71-5663 (1) The amount of financial assistance provided
17 through student loans pursuant to the Rural Health Systems and
18 Professional Incentive Act shall be limited to twenty thousand
19 dollars for each recipient for each academic year and shall
20 not exceed eighty thousand dollars per medical, dental, or
21 doctorate-level mental health student or twenty thousand dollars
22 per master's level mental health or physician assistant student.

23 (2) The amount of financial assistance provided by
24 the state through loan repayments pursuant to the act (a) for
25 physicians, dentists, and psychologists shall be limited to ~~ten~~

1 twenty thousand dollars per recipient per year of full-time
2 practice in a designated health profession shortage area and
3 shall not exceed ~~thirty~~ sixty thousand dollars per recipient
4 and (b) for physician assistants, advanced practice registered
5 nurses, pharmacists, physical therapists, occupational therapists,
6 and mental health practitioners shall be limited to ~~five~~ ten
7 thousand dollars per recipient per year of full-time practice in
8 a designated health profession shortage area and shall not exceed
9 ~~fifteen~~ thirty thousand dollars per recipient.

10 Sec. 3. Section 71-5668, Revised Statutes Cumulative
11 Supplement, 2004, is amended to read:

12 71-5668 Each loan repayment recipient shall execute an
13 agreement with the department and a local entity. Such agreement
14 shall include, at a minimum, the following terms:

15 (1) The loan repayment recipient agrees to practice his
16 or her profession, and a physician, dentist, advanced practice
17 registered nurse, or physician assistant also agrees to practice an
18 approved specialty, in a designated health profession shortage area
19 for at least three years and to accept medicaid patients in his or
20 her practice;

21 (2) In consideration of the agreement by the recipient,
22 the State of Nebraska and a local entity within the designated
23 health profession shortage area will provide equal funding for
24 the repayment of the recipient's qualified educational debts,
25 in amounts up to ~~ten~~ twenty thousand dollars per year per

1 recipient for physicians, dentists, and psychologists and up to
2 ~~five~~ ten thousand dollars per year per recipient for physician
3 assistants, advanced practice registered nurses, pharmacists,
4 physical therapists, occupational therapists, and mental health
5 practitioners toward qualified educational debts for up to
6 three years. The department shall make payments directly to the
7 recipient; and

8 (3) If the loan repayment recipient discontinues practice
9 in the shortage area prior to completion of the three-year
10 requirement, the recipient shall repay to the state one hundred
11 twenty-five percent of the total amount of funds provided to the
12 recipient for loan repayment. Upon repayment by the recipient to
13 the department, the department shall reimburse the local entity its
14 share of the funds.

15 Sec. 4. Section 85-957, Reissue Revised Statutes of
16 Nebraska, is amended to read:

17 85-957 Peru State College may maintain its existing
18 baccalaureate general academic, baccalaureate occupational, and
19 baccalaureate professional degree programs, and shall limit
20 new baccalaureate degree programs to the needs of its unique
21 service area generally defined as the state's southeast region.
22 Peru's cooperative master's degree program in education with the
23 university may be maintained. Subject to approval by the Board of
24 Trustees of the Nebraska State Colleges, Peru State College may
25 offer a Master of Science degree in organizational management with

1 a focus in entrepreneurial and economic development.

2 Sec. 5. Section 85-1416, Revised Statutes Cumulative
3 Supplement, 2004, is amended to read:

4 85-1416 (1) Pursuant to the authority granted in
5 Article VII, section 14, of the Constitution of Nebraska and
6 the Coordinating Commission for Postsecondary Education Act, the
7 commission shall, in accordance with the coordination function of
8 the commission pursuant to section 85-1403, review and modify, if
9 needed to promote compliance and consistency with the comprehensive
10 statewide plan and prevent unnecessary duplication, the budget
11 requests of the governing boards.

12 (2)(a) At least thirty days prior to submitting to
13 the Governor their biennial budget requests pursuant to section
14 81-1113 and any major deficit appropriation requests pursuant
15 to instructions of the Department of Administrative Services,
16 the Board of Regents of the University of Nebraska and the
17 Board of Trustees of the Nebraska State Colleges shall each
18 submit to the commission an outline of its proposed operating
19 budget. The outline of its proposed operating budget or outline
20 of proposed state aid request shall include those information
21 summaries provided to the institution's governing board describing
22 the respective institution's budget for the next fiscal year or
23 biennium. The outline shall contain projections of funds necessary
24 for (i) the retention of current programs and services at current
25 funding levels, (ii) any inflationary costs necessary to maintain

1 current programs and services at the current programmatic or
2 service levels, and (iii) proposed new and expanded programs and
3 services. In addition to the outline, the commission may request
4 an institution to provide to the commission any other supporting
5 information to assist the commission in its budget review process.
6 An institution may comply with such requests pursuant to section
7 85-1417.

8 (b) On September 15 of each biennial budget request year,
9 ~~except as otherwise provided for 2002,~~ the boards of governors of
10 the community colleges or their designated representatives shall
11 submit to the commission outlines of their proposed state aid
12 requests pursuant to sections 85-1536 and 85-1537. ~~In 2002, the~~
13 ~~boards of governors of the community colleges or their designated~~
14 ~~representatives shall submit to the commission the outlines no~~
15 ~~later than the date established by the budget administrator of the~~
16 ~~budget division of the Department of Administrative Services for~~
17 ~~the filing of biennial budget requests pursuant to section 81-132.~~

18 (c) The commission shall analyze institutional budget
19 priorities in light of the comprehensive statewide plan, role and
20 mission assignments, and the goal of prevention of unnecessary
21 duplication. The commission shall submit to the Governor and
22 Legislature by October 15 of each year, ~~except as otherwise~~
23 ~~provided for 2002,~~ recommendations for approval or modification of
24 ~~each budget request~~ the budget requests together with a rationale
25 ~~for each such recommendation. In 2002, the commission shall submit~~

1 ~~to the Governor and Legislature its recommendations, and rationale~~
2 ~~no later than November 12, 2002.~~ The analysis and recommendations
3 by the commission shall focus on budget requests for new and
4 expanded programs and services and major statewide funding issues
5 or initiatives as identified in the comprehensive statewide plan.
6 If an institution does not comply with the commission's request
7 pursuant to subdivision (a) of this subsection for additional
8 budget information, the commission may so note the refusal
9 and its specific information request in its report of budget
10 recommendations. The commission shall also provide to the Governor
11 and the Appropriations Committee of the Legislature on or before
12 October 1 of each even-numbered year a report identifying public
13 policy issues relating to student tuition and fees, including
14 the appropriate relative differentials of tuition and fee levels
15 between the sectors of public postsecondary education in the state
16 consistent with the comprehensive statewide plan.

17 (3) At least thirty days prior to submitting to the
18 Governor their biennial budget requests pursuant to section
19 81-1113 and any major deficit appropriation requests pursuant to
20 instructions of the Department of Administrative Services, the
21 Board of Regents of the University of Nebraska and the Board of
22 Trustees of the Nebraska State Colleges shall each submit to the
23 commission information the commission deems necessary regarding
24 each board's capital construction budget requests. The commission
25 shall review the capital construction budget request information

1 and may recommend to the Governor and the Legislature modification,
2 approval, or disapproval of such requests consistent with the
3 statewide facilities plan and any project approval determined
4 pursuant to subsection (10) of section 85-1414 and to section
5 85-1415. The commission shall develop from a statewide perspective
6 a unified prioritization of individual capital construction budget
7 requests for which it has recommended approval and submit such
8 prioritization to the Governor and the Legislature for their
9 consideration. In establishing its prioritized list, the commission
10 may consider and respond to the priority order established by the
11 Board of Regents or the Board of Trustees in their respective
12 capital construction budget requests.

13 (4) Nothing in this section shall be construed to affect
14 other constitutional, statutory, or administrative requirements for
15 the submission of budget or state aid requests by the governing
16 boards to the Governor and the Legislature.

17 Sec. 6. Section 85-1903, Revised Statutes Cumulative
18 Supplement, 2004, is amended to read:

19 85-1903 Award means a grant of money by the commission
20 to an eligible student for educational expenses. Awards shall not
21 exceed:

22 (1) For award years prior to the ~~2006-07~~ 2007-08 award
23 year:

24 (a) For students who received an award from the
25 Postsecondary Education Award Program Act, the Scholarship

1 Assistance Program Act, or the State Scholarship Award Program
2 Act for the 2002-03 award year, the greater of the total awards
3 received by the student pursuant to such acts for the 2002-03 award
4 year or one-half of the tuition and mandatory fees for a full-time,
5 resident, undergraduate student for the last completed award year
6 at the University of Nebraska-Lincoln; or

7 (b) For students who did not receive an award from
8 the Postsecondary Education Award Program Act, the Scholarship
9 Assistance Program Act, or the State Scholarship Award Program Act
10 for the 2002-03 award year, one-half of the tuition and mandatory
11 fees for a full-time, resident, undergraduate student for the last
12 completed award year at the University of Nebraska-Lincoln; and

13 (2) For the ~~2006-07~~ 2007-08 award year and each award
14 year thereafter, twenty-five percent of the tuition and mandatory
15 fees for a full-time, resident, undergraduate student for the last
16 completed award year at the University of Nebraska-Lincoln.

17 Sec. 7. The Legislature finds that:

18 (1) Expansion and diversification of Nebraska's economy
19 is necessary in order to sustain essential public services
20 sponsored or aided by the state;

21 (2) Increasing the number of Nebraskans with high
22 levels of educational attainment is essential to support economic
23 expansion and diversification;

24 (3) In order to increase the number of Nebraskans with
25 high levels of educational attainment, the state's postsecondary

1 education system shall include, but not be limited to, the
2 following key priorities that were identified by the LR 174
3 Task Force of 2003:

4 (a) Increasing the number of students who enter
5 postsecondary education in Nebraska;

6 (b) Increasing the percentage of students who enroll and
7 successfully complete a degree; and

8 (c) Reducing, eliminating, and then reversing the net
9 out-migration of Nebraskans with high levels of educational
10 attainment; and

11 (4) Unprecedented collaboration and cooperation between
12 and among educational institutions and sectors will be necessary
13 to develop community, regional, and statewide strategies to achieve
14 progress toward these priorities and to assist the state in
15 serving Nebraska students and allowing them to reach their academic
16 caliber.

17 Sec. 8. On or before March 15 of each year, the
18 Coordinating Commission for Postsecondary Education shall provide a
19 report that evaluates progress toward attainment of the priorities
20 listed in subdivision (3) of section 7 of this act. The Education
21 Committee of the Legislature shall review the report at a public
22 hearing and report its findings to the Legislature.

23 Sec. 9. Original section 85-957, Reissue Revised
24 Statutes of Nebraska, sections 71-5663, 71-5668, 85-1416, and
25 85-1903, Revised Statutes Cumulative Supplement, 2004, and section

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1 71-17,112, Revised Statutes Supplement, 2005, are repealed.